

# **FISCAL NOTE**

## **SB 22 - HB 135**

February 1, 2001

**SUMMARY OF BILL:** Amends various provisions of current law governing sports agents which include the following:

1. Agents would be referred to as "athlete agents" rather than "sports agents" and persons currently holding permits as sports agents would be reclassified as athlete agents.
2. Governmental entities would be included in the definition of "person" for athlete agent purposes.
3. Requires a certificate of registration for a person to act as an athlete agent.
4. Removes the requirement that a permit applicant must be 18 years of age.
5. Removes the requirement that applicants for a permit must post a \$15,000 bond with the Secretary of State.
6. Requires an applicant to disclose professional and criminal misconduct on the part of partners, members, officers, managers, associates and profit sharers in their business or corporate shareholders.
7. Authorizes persons licensed as athlete agents in other states having similar application requirements to use their foreign application in lieu of a Tennessee application.
8. Requires the athlete agent to report the contract signing to an athletic director at the educational institution where the agent has reasonable grounds to believe the student athlete *will* enroll.
9. Allows the student athlete to cancel an agency contract within 20 days of signing it.
10. *Broadens the number of offenses for which an athlete agent could be punished. The bill deletes the specific offenses in current law which were eligible for Class A misdemeanor or Class E felony, and sets the penalty as a Class A misdemeanor for a first offense for a sports agent to engage in certain prohibited activities and a Class E felony for a second or subsequent offense.*
11. Authorizes the Secretary of State to assess civil penalties of up to \$25,000 for violations of this act.

### **ESTIMATED FISCAL IMPACT:**

**State Expenditures - Net Impact - Not Significant**

**Increase State Revenues - Not Significant**

**Local Govt. Expenditures - Net Impact - Not Significant**

**Local Govt. Revenues - Net Impact - Not Significant**

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Estimate assumes that:

- any net impact to the state or local governments for misdemeanor or felony convictions will not be significant, since certain penalties provided under present law (Class E felony and Class A misdemeanor) are deleted and new provisions under the bill provide for a Class A misdemeanor for first offenses and a Class E felony for second and subsequent offenses.
- the same number of persons would apply for registration under the new act; therefore, the cost for registration and renewal is estimated to remain the same.
- state revenues will increase to the extent that civil penalties are imposed and collected by the Secretary of State for violations. However, such increase is estimated to be not significant.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director